



General Assembly

Substitute Bill No. 385

February Session, 2010

* ____SB00385ENV__032210__ *

**AN ACT CREATING INCENTIVES FOR THE DEVELOPMENT OF
SOLAR ENERGY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) Each electric distribution
2 company, as defined in section 16-1 of the general statutes, shall, not
3 later than one hundred eighty days after the effective date of this
4 section, propose a ten-year solar solicitation plan that shall include a
5 timetable and methodology for soliciting proposals for long-term solar
6 renewable energy credits or energy contracts from in-state generators.
7 Each electric distribution company's solar solicitation plan shall be
8 subject to the review and approval of the Department of Public Utility
9 Control. On or before January 1, 2012, each electric distribution
10 company shall submit to the department for approval contracts that
11 comprise not less than twenty-five per cent of such company's
12 obligation. On or before July 1, 2014, each such company shall submit
13 to the department for approval contracts than comprise not less than
14 fifty per cent of such company's obligation. On or before July 1, 2016,
15 each such company shall submit to the department for approval
16 contracts that comprise not less than seventy-five per cent of such
17 company's obligation.
- 18 (b) Each electric distribution company's approved solar solicitation
19 plan shall be designed to foster a diversity of solar project sizes and

20 participation among all customer classes subject to cost-effectiveness
21 considerations. The plan shall require separate procurement processes
22 to be conducted for (1) nonresidential systems between ten kilowatts
23 and fifty kilowatts, and (2) nonresidential systems greater than fifty
24 kilowatts but less than two thousand kilowatts. For purposes of
25 approval, the department shall give preference to competitive bidding
26 for resources of more than fifty kilowatts, unless the department
27 determines that an alternative methodology is in the best interests of
28 the electric distribution company's customers and the development of
29 a competitive and self-sustaining solar market. Under any such plan,
30 systems up to fifty kilowatts in size shall be eligible to receive a solar
31 renewable energy credit price equivalent to the highest accepted bid
32 price in the most recent solicitation for systems greater than fifty
33 kilowatts but less than two thousand kilowatts, plus an additional
34 incentive of ten per cent.

35 (c) Each electric distribution company shall execute its approved
36 ten-year solicitation plan and submit for department review and
37 approval its preferred solar procurement plan that is comprised of any
38 proposed contract or contracts with independent solar developers.

39 (d) The department shall hold a hearing that shall be conducted as
40 an uncontested case, in accordance with the provisions of chapter 54 of
41 the general statutes, to approve, reject or modify an application for
42 approval of the electric distribution company's solar procurement
43 plan. The department shall only approve such proposed plan if the
44 department finds that (1) the solicitation and evaluation conducted by
45 the electric distribution company was the result of a fair, open,
46 competitive and transparent process; (2) approval of the solar
47 procurement plan would result in the greatest expected ratepayer
48 value from solar energy or solar renewable energy credits at the lowest
49 reasonable cost; and (3) such procurement plan satisfies other criteria
50 established in the approved solicitation plan. The department shall not
51 approve any proposal made under such plan unless it determines that
52 the plan and proposals encompass all foreseeable sources of revenue
53 or benefits and that such proposals, together with such revenue or

54 benefits, would result in the greatest expected ratepayer value from
55 solar energy or solar renewable energy credits. The department may,
56 in its discretion, retain the services of an independent consultant with
57 expertise in the area of energy procurement. The independent
58 consultant shall be unaffiliated with the electric distribution company
59 or its affiliates and shall not, directly or indirectly, have benefited from
60 employment or contracts with the electric distribution company or its
61 affiliates in the preceding five years, except as an independent
62 consultant. For purposes of evaluating such plan, the electric
63 distribution company shall provide the independent consultant
64 immediate and continuing access to all documents and data reviewed,
65 used or produced by the electric distribution company in its bid
66 solicitation and evaluation process. The electric distribution company
67 shall make all its personnel, agents and contractors used in the bid
68 solicitation and evaluation available for interview by the consultant.
69 The electric distribution company shall conduct any additional
70 modeling requested by the independent consultant to test the
71 assumptions and results of the bid evaluation process. The
72 independent consultant shall not participate in or advise the electric
73 distribution company with respect to any decisions in the bid
74 solicitation or bid evaluation process. The department's administrative
75 costs in reviewing the electric distribution company's solar
76 procurement plan and the costs of the consultant shall be recovered
77 through a reconciling component of electric rates as determined by the
78 department.

79 (e) The electric distribution company shall be entitled to recover its
80 reasonable costs of complying with its approved solar procurement
81 plan through a reconciling component of electric rates as determined
82 by the department.

83 (f) If, by January 1, 2012, the department has not received proposed
84 long-term solar renewable energy credit contracts consisting of at least
85 twenty-five per cent of an electric distribution company's procurement
86 obligation or by July 1, 2014, has not received proposed long-term
87 solar renewable energy contracts consisting of at least fifty per cent of

88 an electric distribution company's procurement obligation, or by July
89 1, 2016, has not proposed long-term solar renewable energy contracts
90 consisting of at least seventy-five per cent of an electric distribution
91 company's procurement obligation, respectively, the department shall
92 notify the electric distribution company and the Renewable Energy
93 Investments Board of the shortfall. Unless, upon petition by the electric
94 distribution company, the department grants the distribution company
95 an extension not to exceed ninety days to correct this deficiency, the
96 Renewable Energy Investments Board shall issue one or more requests
97 for proposals to address the shortfall. The board shall perform an
98 initial review of each proposal, examine the financial and technical
99 viability of each proposal and analyze project costs and benefits for the
100 purpose of selecting projects that will promote the provision of long-
101 term solar renewable energy contracts. Upon selection of the projects,
102 the board shall forward such projects to such electric distribution
103 company for review. For each project, such electric distribution
104 company shall analyze the interconnection point and costs related
105 thereto, reliability and other impacts of such project to determine
106 whether the project will promote the provision of additional long-term
107 solar renewable energy contracts. Such electric distribution company
108 shall provide the results of its analysis to the department, which shall
109 conduct a proceeding to determine whether to approve or reject each
110 project. The reasonable administrative costs associated with the
111 procurement of long-term solar renewable energy contracts shall be
112 collected by the distribution company, maintained in a separate
113 interest-bearing account and disbursed to the Renewable Energy
114 Investment Fund on a quarterly basis.

115 (g) Not later than sixty days after its approval of the electric
116 distribution company procurement plans submitted on or before
117 January 1, 2012, the department shall submit a report to the joint
118 standing committees of the General Assembly having cognizance of
119 matters relating to energy and the environment. The report shall
120 document for each distribution company procurement plan: (1) The
121 total number of solar renewable energy credits bid relative to the

122 number of solar renewable energy credits requested by the distribution
123 company; (2) the total number of bidders in each market segment; (3)
124 the number of contracts awarded; and (4) the total weighted average
125 price of the solar renewable energy credits or energy so purchased.
126 The department shall not report individual bid information or other
127 proprietary information.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>from passage</i>	New section
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Statement of Legislative Commissioners:

Technical changes were made throughout the bill for purposes of clarity, internal consistency and adherence to standard drafting conventions.

ENV *Joint Favorable Subst.*